

RE: Application of the Village of Gratiot, Lafayette County, as a Water Public Utility, for Authority to Adjust Water Rates

This response is in regards to the correspondence sent by PSC staff on 11/02/22. After reviewing and discussing the findings laid out in the correspondence, the Village Board of Supervisors has asked me to write this reply.

After seeing the recommended ROR of 6.30% from the PSC, and realizing it would mean an estimated rate increase of 58%, the Village Board is asking the Commission to please consider any reduction in the ROR for the utility.

As stated before, the Village has many customers who are on fixed incomes, and many other customers who are low income residents. Furthermore, the majority of commercial customers who are high water users are small businesses in the restaurant/bar business. The board feels that this high of an increase will have a significant financial impact on these residents and businesses. This, coupled with the current higher costs of fuel and goods will very likely cause financial burdens.

In regards to delinquency of water accounts, Lafayette County has always paid the utility back on a yearly basis for delinquent accounts not collected through property tax payments (the county then places a lien on the real estate until they can recoup their loss). This is beneficial to the utility, but the county can change this at any time. In the event that they do, there is concern for an increase in delinquency to the utility.

As the board is asking for you to reconsider your recommendations, they do fully understand that 26 years is way too long in between CRC's and the SRC tool needs to be used more frequently and consistently as well. Having a much more regular schedule in place for SRC's and CRC's will be a priority going forward.

Respectfully,
On behalf of the Village of Gratiot Board of Supervisors

Travis Signer
Village Consultant